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SUBJECT: THAIS REWORK TELECOM POST-TAIWAN EARTHQUAKE

¶1. Thai telecom networks are recovering from the December 26 earthquake off Taiwan which damaged undersea cables that carry much of Thailand's telecommunications to the U.S. and the rest of Asia. The earthquake damaged the two main cables via Taiwan that link Thailand to Korea, Japan, Europe and the U.S., cutting in half Thailand's international traffic capacity and knocking out an estimated 90 percent of Internet access in Thailand.

¶2. State-owned CAT Telecom, which handles international call traffic and Internet service, was able to quickly reroute about 50 percent of the affected traffic to alternative routes in the Indian Ocean and shifted another 20 percent of voice traffic onto satellites. Internet service resumed, but is still operating below normal bandwidth. CAT believes that one of the two main cables through Taiwan should be repaired by January 12, allowing 80 percent of capacity to be restored by the third week of January, and expects to be back at 100 percent in February.

¶3. In the meantime, CAT is improving its international links to avoid any future cut offs. CAT is investing in 300 extra Internet connections through Indian Ocean cables and has been planning a new cable link directly to the U.S. to be developed jointly with AT&T. Telecom regulator National Telecommunications Commission announced it would order the other state-owned telecom provider TOT to allow a private Internet provider, True Internet, to temporarily connect to foreign networks via TOT's facilities to provide an additional outlet for data.

¶4. E-commerce in Thailand is still relatively underdeveloped and few businesses would likely have been seriously affected by the Internet slowdown. However, at least one local web-based travel agency reported a decline in business as U.S. and European clients were unable to access their site for some time. Nevertheless, the Internet slowdown sparked a good deal of frustration among businesses that have grown to depend on the Internet for news and information in addition to doing business.

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